NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision 5 year lease for one lot

THIS LEASE AGREEMENT is made this 20 th day of Market

PAID UP OIL AND GAS LEASE (No Surface Use)

___, **2008**, by and between

Mario	COVTINA	and	wife.	uisa (oATUA		
as Lessor (whether	er one or more), who	_	rue fort	worth.	Texas	76/05	
and DALE PRO	PERTY SERVICE	ES L.L.C. 2100 Ro	ss Ave Suite 1870	Dallas, Texas, 752	01, as Lessee. A	ll printed portions of t	his lease were prepared by the party
hereinabove name	ed as Lessee, but all	other provisions (inc	luding the completion	on of blank spaces) v	vere prepared joint	y by Lessor and Lessee	
		nus in hand paid and	the covenants herein	n contained, Lessor l	hereby grants, lease	es and lets exclusively t	o Lessee the following described land,
hereinafter called	leased premises:						
Lot(s) S	Dlask	S	of the San R	20 Militim	1.14 F.	lina	,an addition to the City of
LOGGO!	, 101001	 (of the)		Nach	recorded in Volume
Fort Worth	rexas, more pa	articularly desc	ribed by metes	and bounds II	n that certain	pur	recorded in volume
388-7	, Page	<u>э</u> ү (of the <i>P[a</i>	Recoi	rds. Tarrant Co	ounty, Texas, ()
in the country of "	Tarrant, State of TE	VAC containing	.1년() எලල අ	lass (i	maludina any intara	ote therein which I app	or may hereafter acquire by reversion,
		ario, containing	B1000 W	cies, illote of less (1	ting oil and gas a	lone with all hydrocar	bon and non hydrocarbon substances
produced in assoc	riation therewith (in	cluding geonhysical/	seismic operations)	The term "oas" as i	used herein include	s helium, carbon dioxic	le and other commercial gases, as well
as hydrocarbon 2	ases. In addition to	the above-describe	d leased premises, t	his lease also cover	s accretions and ar	ny small strips or parce	Is of land now or hereafter owned by
Lessor which are	contiguous or adja-	cent to the above-de	scribed leased prem	ises, and, in conside	eration of the afore	ementioned cash bonus	Lessor agrees to execute at Lessee's
request any additi	ional or supplement	al instruments for a	more complete or ac	curate description of	f the land so covere	ed. For the purpose of	determining the amount of any shut-in
royalties hereunde	er, the number of gro	oss acres above speci	ified shall be deemed	l correct, whether ac	tually more or less.		
e mili	1111					e a 1000 a' .	Date (d. Co. d. in accessors 17 below)
2. This least	e, which is a "paid-i	ip" lease requiring n	o rentals, shall be in	force for a primary	term of five (5) ye	ears from the Effective	Date (defined in paragraph 17 below),
		or other substances nt to the provisions h		produced in paying o	quantities from the	leased premises or from	lands pooled therewith or this lease is
				der shall be naid by	Lessee to Lessor a	s follows: (a) For oil ar	nd other liquid hydrocarbons separated
							ne wellhead or to Lessor's credit at the
oil purchaser's tra	ansportation facilitie	s. provided that Les	see shall have the co	entinuing right to ou	rchase such produc	tion at the wellhead ma	arket price then prevailing in the same
field (or if there is	s no such price then	prevailing in the sar	ne field, then in the	nearest field in which	h there is such a pr	evailing price) for produ	uction of similar grade and gravity; (b)
for gas (including	casinghead gas) an	d all other substance	s covered hereby, th	e royalty shall be Ty	venty-Five (25%) o	of the proceeds realized	by Lessee from the sale thereof, less a
proportionate par	t of ad valorem taxe	s and production, se	verance, or other ex-	cise taxes and the co	sts incurred by Les	see in delivering, proce	ssing or otherwise marketing such gas
or other substance	es, provided that Les	see shall have the c	ontinuing right to pu	rchase such product	ion at the prevailin	g wellhead market price	paid for production of similar quality
in the same field	(or if there is no suc	th price then prevail	ing in the same field	, then in the nearest	field in which ther	e is such a prevailing p	rice) pursuant to comparable purchase
contracts entered	into on the same or	nearest preceding da	ite as the date on wh	ich Lessee commen	ces its purchases he	ereunder; and (c) if at the	ne end of the primary term or any time
inereaster one or	more wells on the le	ased premises or lar	ds pooled therewith	are capable of either	r producing on or i	gas or other substances	covered hereby in paying quantities or ld by Lessee, such well or wells shall
nevertheless he d	eemed to be produc	inaciure sumulation, vina in pavina avant	ities for the purpose	of maintaining thic	lease If for a ne	riod of 90 consecutive	days such well or wells are shut-in or
production theref	rom is not being sol	ang at paying quant d by Lessee, then Le	essee shall nav shut-	in rovalty of one dol	llar ner acre then c	overed by this lease sur	ch payment to be made to Lessor or to
Lessor's credit in	the depository design	enated below, on or	before the end of sa	id 90-day period and	thereafter on or b	efore each anniversary	of the end of said 90-day period while
the well or wells	are shut-in or produ	ction therefrom is n	ot being sold by Les	see; provided that if	this lease is otherw	vise being maintained b	y operations, or if production is being
sold by Lessee fr	om another well or	wells on the leased	premises or lands	pooled therewith, no	shut-in royalty sh	all be due until the end	d of the 90-day period next following
cessation of such	operations or produ	iction. Lessee's fail	ure to properly pay	shut-in royalty shall	render Lessee lial	ole for the amount due,	but shall not operate to terminate this
lease.							2
4. All shut-	in royalty payments	under this lease sha	all be paid or tender	ed to Lessor or to I	_essor's credit in _	at lessor's address ab	ove or its successors, which shall be
Lessor's deposito	ry agent for receiving	ng payments regardi	ess of changes in the	e ownership of said	iano. Ali payments	or tenuers may be mad	le in currency, or by check or by draft
to Lecces chall co	netitute proper pour	or or to the depositor	y by treposit in the t	or he cuceeded by	another inetitution	or for any reason fail (to the Lessor at the last address known or refuse to accept payment hereunder,
						itory agent to receive p	
							nafter called "dry hole") on the leased
premises or lands	pooled therewith, o	or if all production (whether or not in par	ving quantities) pern	nanently ceases fro	m any cause, including	a revision of unit boundaries pursuant
to the provisions	of Paragraph 6 or th	e action of any gove	ernmental authority,	then in the event thi	is lease is not other	wise being maintained	in force it shall nevertheless remain in
force if Lessee co	mmences operation	s for reworking an e	xisting well or for di	rilling an additional	well or for otherwi	se obtaining or restorin	g production on the leased premises or
lands pooled there	ewith within 90 days	s after completion of	operations on such	dry hole or within 90	days after such ce	ssation of all productio	 If at the end of the primary term, or
at any time therea	after, this lease is not	t otherwise being ma	intained in force but	Lessee is then enga	ged in drilling, rew	orking or any other ope	rations reasonably calculated to obtain
or rectors product	tion therefrom this l	leace chall remain in	force so long as an	one or more of suc	h operations are pr	osecuted with no cessal	tion of more than 90 consecutive days.

producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lesses shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lesses deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or for production conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit

and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the

notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance

with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable

for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said

judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.It is recognized that as of the date of this lease the leased premises is subject to a prior lease, which is still within its primary term ("base lease"). This lease is subject to the base lease, and is not intended to disparage or cloud the title to such base lease. If, however, the base lease terminates at or after the expiration of its primary term, is invalidated through a judicial hearing or other legal adjudication on the merits of the base lease or manner in which it was acquired, or if the base lease in any other way becomes null and void or no longer in force and effect, then this lease shall continue in force and effect according to its terms and provisions; provided, however, that if Lessee does not tender to the Lessor the balance of the agreed bonus per net acre within sixty (60) days after the termination of the base lease, then this lease shall terminate, and the Lessee shall, upon receipt of written request from Lessor execute and deliver to Lessor a Release of this lease. For the purposes of this lease, the "Effective Date" of this lease shall be the date that the base lease is terminated or expires. Notwithstanding that the primary term of this lease will commence on the Effective Date, the rights of Lessee under this lease are vested upon Lessor's execution of this lease and, prior to the Effective Date, this lease covers Lessor's possibility of reverter in and to the leased premises. Furthermore, if the Effective Date fails to occur within ten (10) years of the date of signature below, then this lease shall ipso facto become null and void without any further action by or on behalf of Lessor or Lessee. For the consideration stated herein paid by Lessee, Lessor agrees not to ratify, renew or extend the base lease beyond its primary term or enter into any agreement that would have the effect of perpetuating the base lease after the termination or expiration thereof pursuant to its terms, nor will Lessor amend the base lease in any way.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor

LESSOR (WHETHER ONE OR MORE) Signature: Mario Cartina Printed Name: MARIO CORtin ACKNOWLEDGMENT STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on the $\frac{2c1^k}{}$ day of $\frac{March}{}$, 2008, by Cortina and with Notary Public, State of Texas ROSA M. VALENCIANO Notary's name (printed): STATE OF TEXAS Notary Public, State of Texas Notary's commission expires: My Commission Expires COUNTY OF TARRANT November 28, 2010 This instrument was acknowled day of __

> Notary Public, State of Texas Notary's name (printed): Notary's commission expires:

DRAFT

Re: 37275-5-K-Froperty Description]
BJK S Lot 15

Dear Mario, Cortina and Misa Cortina/ Property: 4005 Buston Ave

Dale Property Services, LLC ("Dale") hereby offers to lease your property described above for development of oil and gas. Our records show that your property may already be leased to another person or company, however Dale is willing to pay you for execution of a "top lease". A top lease is subject to the prior lease and only becomes effective if and when the prior lease expires or is otherwise determined to be no longer valid. The top lease includes specific language setting forth the terms and conditions of the payment of the bonus. If the existing lease is not terminated or declared void within 10 years after you execute the "top lease", the top lease will automatically terminate and become void. Dale cannot express any opinion of if and when the existing lease would terminate or be declared void.

As consideration for executing and returning the top lease, Dale will pay a total bonus to you of 1000.00 dollars per net mineral acre, payable in two installments. The first payment is a non-refundable payment of twenty percent of the total bonus and will be mailed to you shortly after we receive the executed top lease. This first payment will be yours to keep even if the top lease never becomes effective. The balance of the bonus described above will be paid to you when and only if the top lease becomes effective. Thus, if the top lease is declared void because the existing lease is not terminated or declared void within 10 years after you sign the top lease, then you will not receive the balance of the bonus.

Should, you have any questions regarding this offer you may contact KOY VILLA AWAI Dale. If you wish to sign the top lease and receive the first bonus payment then please follow the instructions provided and return the executed lease to Dale.

Sincerely,

I/We wish to execute the Top Lease provided by Dale. I/We acknowledge that Dale has adequately explained the nature of a top lease and provided ample opportunity for me/us to ask questions. I/we further understand that Dale will pay 20% of the bonus amount up front and the remaining 80% of the bonus will be paid when and only if the Top Lease becomes effective. I/we understand that if

the Top Lease fails to become effective within 10 years of execution, then the top lease shall be null and void and the balance of the bonus will not be paid to us.

Lessor

Mario Contina

Lessor

ciera Corteina



DALE RESOURCES 2100 ROSS AVE # 1870 LB 9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$28.00

Filed For Registration: 05/15/2008 08:12 AM Instrument #: D208180598
LSE 5 PGS

D208180598

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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